

## Message Text

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PAGE 01 DAMASC 02974 110814Z  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 /018 W  
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R 110728Z MAY 77  
FM AMEMBASSY DAMASCUS  
TO SECSTATE WASHDC 3034  
INFO AMEMBASSY CAIRO  
AMEMBASSY AMMAN  
AMEMBASSY JIDDA

C O N F I D E N T I A L DAMASCUS 2974

E.O. 11652: GDS  
TAGS: BGEN SY  
SUBJ: TAYLOR/FOSTER VISIT

REF: STATE 087934

1. FOLLOWING UP ON VISIT OF GOVERNOR NELSON ROCKEFELLER,  
BUSINESSMEN ARTHUR TAYLOR AND JOHN FOSTER VISITED SYRIA  
MAY 3-6, 1977. THEY WERE WARMLY RECEIVED BY TOP-ECHELON  
SYRIANS, AND FINISHED VISIT WITH CALL ON PRES. AL-ASSAD.  
THEIR PRINCIPAL IMPRESSIONS, PASSED ON TO AMBASSADOR, FOLLOW:

A. OF THE COUNTRIES VISITED IN THEIR PRESENT TOUR,  
(EGYPT, JORDAN, SAUDI ARABIA AND SYRIA), SYRIA, FOSTER  
COMMENTED, SEEMED TO BE THE MOST "PULLED TOGETHER" FOR  
ECONOMIC DEVELOPMENT. THE SYRIAN MINISTERS WITH WHOM THEY  
HAD MET SUMMED UP THEIR FIRST THREE DEVELOPMENT PRIORITIES  
AS "AGRICULTURE, AGRICULTURE AND AGRICULTURE."

B. THEY HAD A RATHER TESTY PRESENTATION FROM EUPHRATES  
DAM MINISTER KAHHALI WHO SAID US PRIVATE ENTERPRISE  
SHOULD TAKE OVER A PIECE OF LAND IN THE EUPHRATES BASIN  
AND DEVELOP IT. THEY SAID THIS WAS MOST UNLIKELY TO  
ATTRACT PRIVATE CAPITAL. IT WOULD BE FAR EASIER TO BRING  
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IN FOREIGN CAPITAL FOR FOOD PROCESSING PLANTS ONCE THE LAND  
IS IN PRODUCTION. IN THIS CONNECTION, TAYLOR SAID SYRIA  
SHOULD LOOK AHEAD IN RELATIVELY INEXPENSIVE MOBILE MULTI-  
FOOD PROCESSING PLANTS WHICH COULD BE SHIFTED AROUND THE  
COUNTRY-SIDE, INSTEAD OF RELYING ON A MARKET FOR FRESH  
PRODUCE OF WHICH 40 TO 50 PERCENT IS LOST IN SPOILAGE.

C. THEY FELT THEY MADE THEIR MOST USEFUL SUGGESTION TO A GROUP LED BY THE MINISTER OF PETROLEUM. NOTING SYRIA'S OIL PRODUCTION WAS VERY LIMITED, THEY SAID SYRIA SHOULD PLAN ON KEEPING ITS OIL IN COUNTRY AND PROCESSING IT IN SMALL PETRO-CHEMICAL INSTALLATIONS TO BE EXPORTED AT \$150-\$180 A BARREL INSTEAD OF THE CURRENT \$12 PER BARREL. FOSTER WAS TOLD SYRIA HAD DRILLED SOME 800 HOLES BUT HAD NO CENTRAL REPOSITORY OF DATA DEVELOPED ON THESE HOLES. TO PULL THIS AMOUNT OF DATA TOGETHER SHOULD, IN HIS OPINION, BE OF TOP PRIORITY. IT WOULD VIRTUALLY NEGATE THE NEED FOR AN ERTS PROGRAM DESIGNED TO ENLIGHTEN SYRIA FURTHER IN ITS MINERAL RESOURCES. (COMMENT: US OIL COMPANY TECHNICIANS WHO HAVE SEEN DATA ON SYRIA DONE BY SOVIETS REPORT IT IS SO TECHNICALLY OBSOLETE AS TO BE NEXT TO USELESS FOR SERIOUS EXPLORATION.)

D. TOURISM: THEY FOUND THE SYRIAN MINISTER FOR TOURISM SOMEWHAT GUARDED. THEY SAID THERE WOULD BE NO PROBLEM ATTRACTING AMERICAN MANAGERIAL SKILLS TO SYRIA BUT THEY SERIOUSLY DOUBTED THAT ANY US PRIVATE CAPITAL WOULD WANT TO INVEST IN HOTEL CONSTRUCTION OR AT LEAST BE A MAJOR STOCKHOLDER. TAYLOR NONETHELESS SAID HE PLANNED TO TALK UP PROSPECTS WITH THE MARRIOTT CORP. ON HIS RETURN TO THE STATES.

2. COMMENT: US PETROCHEMICAL TRADE MISSION MAY 6-9 SAW MANY OF SAME INDIVIDUALS AND DISCUSSED PETROCHEMICAL INSTALLATIONS FOR SYRIA WITH REGARD TO (C) ABOVE. GENERAL CONSENSUS THIS GROUP WAS THAT SMALL INSTALLATIONS NOT COMMERCIALY ATTRACTIVE OR NECESSARILY VIABLE. RATHER MISSION MEMBERS SUGGESTED LARGE PETROCHEMICAL COMPLEX, CONFIDENTIAL

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TAKING ADVANTAGES OF ECONOMY OF SCALE, WITH LARGE EXPORT POSSIBILITIES. EXPORT MARKETING COULD BEST BE HANDLED BY LARGE US FIRM WHICH MUST BE INCLUDED IN PROJECT FROM BEGINNING AND WOULD BE AWARE OF ALL FACTORS IN MARKET SUCH AS SIMILAR PROJECTS NOW UNDERWAY IN OTHER MIDEASTERN AND EASTERN MEDITERRANEAN COUNTRIES. OTHERWISE TAYLOR'S FOSTER'S IMPRESSIONS FIT GENERALLY WELL WITH WHAT WE HAVE BEEN HEARING. SYRIAN DEVELOPMENT PLANNING IS NOW FULLY COMMITTED TO AGRICULTURE. MUCH OF GOVT. AGRICULTURAL HIERARCHY IS STILL ENAMORED OF LARGE STATE-OWNED FARMING ENTITIES DESPITE THEIR MARKED LACK OF SUCCESS TO DATE, AND BELIEVES THEY COULD WORK WITH FOREIGN EXPERTISE. NEVERTHELESS, PRIVATE SECTOR SEEMS TO HAVE FOUND AN EAR WITH PRIME MINISTER. TOURISM IS SIMILARLY MIRED IN MIASMA OF MONSTROUS PROJECTS SUCH AS 4000 UNIT TOURIST VILLAGE NEAR LATTAKIA. AGAIN, HOWEVER, PRIVATE SECTOR GETTING SIGNALS FROM PM THAT THIS MAY BE FIELD INTO WHICH IT CAN EXPAND. FURTHERMORE, SYRIAN GOVERNMENT APPARENTLY HAS DECIDED CONCENTRATE ITS LIMITED RESOURCES ON AGRICULTURE AND LET DEVELOPMENT IN

OTHER FIELDS AWAIT FOREIGN INVESTMENT/AID TO FINANCE.  
THIS APPEARS TRUE EVEN OF PETROLEUM FIELD WHOSE NEAR-  
STAGNATION RATE OF GROWTH HAS DISAPPOINTED SYRIAN PLANNERS.  
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## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009